

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20303
[REDACTED],)	
)	DECISION
Petitioner.)	
_____)	

On April 12, 2007, the staff of the Tax Discovery Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer) proposing income tax, penalty, and interest for the taxable years 2002 through 2004 in the total amount of \$2,258.

On June 13, 2007, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not respond to the Tax Commission's hearing rights letter and has provided nothing further for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

The Tax Discovery Bureau (Bureau) received information [Redacted] that showed the taxpayer received wages in 2002 through 2004 for work performed in Idaho. The Bureau researched the Tax Commission's records and found that the taxpayer had not filed Idaho individual income tax returns for those years. The Bureau sent the taxpayer a letter asking him about his requirement to file Idaho income tax returns. The taxpayer did not respond. The Bureau obtained additional information [Redacted] and determined the taxpayer did have a filing requirement with the state of Idaho. The Bureau prepared income tax returns for the taxpayer and sent him a Notice of Deficiency Determination.

The taxpayer protested the Bureau's determination. He stated he disagreed with the tax, penalty, and interest the Bureau calculated. The taxpayer stated he was entitled to dependent

exemptions and that he would submit returns if given additional time. The Bureau allowed the taxpayer additional time, but no returns were ever submitted. Therefore, the Bureau referred the matter for administrative review.

The Tax Commission reviewed the matter and sent the taxpayer a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. The taxpayer did not respond. The Tax Commission sent the taxpayer a follow-up letter but still received no response from the taxpayer. Therefore, the Tax Commission decided the matter based upon the information available.

[Redacted] reported that the taxpayer received wages while working in Idaho. [Redacted] also reported that the taxpayer received W-2 wages for the years 2002 through 2004. The income reported for each year was in excess of the filing threshold of Idaho Code section 63-3030. Accordingly, the taxpayer was required to file Idaho individual income tax returns.

The Bureau's computation of the taxpayer's tax was derived from the information obtained [Redacted]. For the year 2002, the Bureau used the same information the taxpayer reported on his federal income tax return. The taxpayer stated he was entitled to dependent exemptions for each of the years; however, he provided no evidence or documentation for those exemptions. In fact, the 2002 return the taxpayer filed [Redacted] showed his filing status as single with only one personal exemption.

In Idaho, a State Tax Commission deficiency determination is presumed to be correct, and the burden is on the taxpayer to show that the deficiency is erroneous. Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). The taxpayer failed to meet his burden. In reviewing the returns prepared by the Bureau, the Tax Commission found that the returns accurately reflected the information available.

Therefore, the Tax Commission upholds the Bureau's determination that the taxpayer was required to file Idaho income tax returns and upholds the deficiency determination as a reasonable representation of the taxpayer's Idaho tax liability.

The Bureau added interest and penalty to the taxpayer's Idaho tax. The Tax Commission reviewed those additions and found them appropriate and in accordance with Idaho Code sections 63-3045 and 63-3046.

WHEREFORE, the Notice of Deficiency Determination dated April 12, 2007, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax, penalty, and interest:

<u>YEAR</u>	<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
2002	\$ 204	\$ 51	\$ 62	\$ 317
2003	657	164	166	987
2004	726	182	140	<u>1,048</u>
			TOTAL DUE	<u>\$2,352</u>

Interest is computed to April 15, 2008.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioner's right to appeal this decision is enclosed with this decision.

DATED this _____ day of _____, 2008.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2008, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[REDACTED]

Receipt No.
